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MERAL OCHMUNICATIONS COMMISSION-SPIPICE OF THE SECRETARY

April 19, 2001

Via Facsimile and Federal Express (202) 418-1069

Ron Parver
Cable Services Bureau
Federal Communications Commission
Room 4-A822
445 12<sup>th</sup> Street, NW
Washington, DC 20554

Re: Digital Capacity Survey

Dear Mr. Parver:

On behalf of Cable One, Inc., please find enclosed our response to the Commission's request for information on cable system capacity and digital retransmission consent negotiations.

We hope that this information will be useful in the Commission's deliberations on these issues. Please feel free to call me at (602) 364-6195 if you require additional information.

Sincerely,

Emerson G. Yearwood

Director of Regulatory Affairs

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Questions on Cable System Capacity and Retransmission Consent Agreements

## Question 1

Please complete the following table with the total number of subscribers served by all of your cable systems and your best estimates of the percentage of your total subscribers in each year that will be served by cable systems of the specified capacity. For each year the column percentages for the five system capacity classes ("Under 500 MHz" to ">750 MHz") should sum to 100.

TOTAL NUMBER OF SUBSCRIBERS SERVED AND % DISTRIBUTION BY SYSTEM CAPACITY

Cable System Capacity	Yearend 1999		Yearend 2000 Yea		Yearend 2001*		Yearend 2002		Yearend 2003	
	740K		735K							
	Number	%	Number	%	Number	%	Number	%	Number	%
Cable System Capacity										
>750 MHz			26,734	3.6	130,624	16.9	130,624	16.9	130,624	16.9
750 MHz	56,613	7.6	56,613	7.7	96,095	12.5	122,307	15.9	122,307	15.9
Between 550 and 750										
MHz	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
550 MHz	449,311	60.7	460,189	62.6	421,958	54.8	421,958	54.8	421,958	54.8
Under 500 MHz	233,805	31.7	191,374	26.0	121,323	15.8	95,111	12.4	95,111	12.4
Total	739,729	100	734,910	100	770,000	100	770,000	100	770,000	100

<sup>\*</sup> Includes subscribers obtained in acquisition of Idaho systems from AT&T.

#### Question 2

Please provide, for each of the five capacity classes and for each year, a breakdown of the total MHz usable for downstream transmissions. The breakdown should be based on a representative cable system in each size class, specifically the one with the largest number of subscribers. For the >750, <550, and 550-750 MHz capacity classes, please specify the capacity of the system for which the information is being provided.

If the total downstream capacity does not equal total capacity minus the bandwidth below 54 MHz, please explain the discrepancy. Also please note if any capacity above 54 MHz is used for upstream services. Please provide the total MHz expected to be used for analog video transmission, the total MHz expected to be used for digital video transmission, and the total MHz expected to be used for other purposes, and list the anticipated other services. The sum of the total MHz used for analog, digital, and other downstream services should equal total MHz usable for downstream transmissions.

Year 1999

Capacity of Representative Cable System	Specific Capacity	Total MHz usable for downstream transmissions	Total MHz expected to be used for analog video	Total MHz expected to be used for digital video	Total MHz expected to be used for other downstream services+	
>750 MHz*	N/A	N/A	N/A	N/A	N/A	
750 MHz		700	498	N/A	202 MHz	Biloxi, MS
550-750 MHz**	N/A	N/A	N/A	N/A	N/A	
550 MHz		500	498	N/A	2 MHz	Anniston, AL
< 550 MHz***	450 <b>M</b> Hz	400	398	N/A	2 MHz	Altus, OK

Identify any other downstream services

<sup>+</sup>Digital Services typically include interactive channel guide, 38 multiplexed premium channels (including HBO, Showtime) 41 Digital Movie PPV channels, and 40 Digital Music Channels. In the near future, we may add Digital Sports, Digital Basic Tiers and Digital Interactive offerings which may include Video on Demand, TV Internet Access, TV email, TV e-commerce and Personal Video Recorders.

<sup>+</sup> Data transmission services including modems and telephony but not video.'Question 4 and 4-A'!H20n

### Year 2000

Capacity of Representative Cable System	Specific Capacity	Total MHz usable for downstream transmissions	Total MHz expected to be used for analog video	Total MHz expected to be used for digital video	Total MHz expected to be used for other downstream services+	
>750 MHz*	870	816	554	60	202	Odessa, TX
750 MHz	4. 人	700	438	60	202	Biloxi, MS
550-750 MHz**	N/A	N/A	N/A	N/A	N/A	
550 MHz		500	438	60	2	Anniston, AL
< 550 MHz***	450	400	398	N/A	2	Altus, OK

<sup>+</sup>Identify any other downstream services

### Year 2001

Capacity of Representative Cable System	Specific Capacity	Total MHz usable for downstream transmissions	Total MHz expected to be used for analog video	Total MHz expected to be used for digital video	Total MHz expected to be used for other downstream services+	
>750 MHz*	870	816	554	60	202	Odessa, TX
750 MHz		700	438	60	202	Biloxi, MS
550-750 MHz**	N/A	N/A	N/A	N/A	N/A	
550 MHz		500	438	60	2	Anniston, AL
< 550 MHz***	450	400	339	60	2	Altus, OK

<sup>+</sup>Identify any other downstream services

<sup>+</sup> Data transmission services including modems and telephony but not video

<sup>+</sup> Data transmission services including modems and telephony but not video

#### Year 2002

Capacity of Representative Cable System	Specific Capacity	Total MHz usable for downstream transmissions	Total MHz expected to be used for analog video	Total MHz expected to be used for digital video	Total MHz expected to be used for other downstream services+	
>750 MHz*	870		554	60	202	Odessa, TX
750 MHz	170674.004	700	438	60	202	Biloxi, MS
550-750 MHz**	N/A	N/A	N/A	N/A	N/A	
550 MHz		500	438	60	2	Anniston, AL
< 550 MHz***	450	400	398	60	2	Altus, OK

<sup>+</sup>Identify any other downstream services

#### Year 2003

Capacity of Representative Cable System	Specific Capacity	Total MHz usable for downstream transmissions	Total MHz expected to be used for analog video	Total MHz expected to be used for digital video	Total MHz expected to be used for other downstream services+	
>750 MHz*	870	816	554	60	202	Odessa, TX
750 MHz		700	438	60	202	Biloxi, MS
550-750 MHz**	N/A	N/A	N/A	N/A	N/A	
550 MHz	· AMPLICATION A	500	438	60	2	Anniston, AL
< 550 MHz***	450		338	60	2	Joplin, MO

<sup>+</sup>Identify any other downstream services

Please explain here any discrepancies between capacity usable for downstream transmissions and total capacity minus the bandwidth below 54 MHz.

<sup>+</sup> Data transmission services including modems and telephony but not video

<sup>+</sup> Data transmission services including modems and telephony but not video

<sup>\*</sup> fill in a capacity greater than 750 MHz if applicable, or enter NA if no systems in the >750 MHz category

<sup>\*\*</sup> fill in a capacity between 550 and 750 MHz if applicable, or enter NA if no systems in the 550-750 MHz category

<sup>\*\*\*</sup> fill in a capacity below 550 MHz if applicable, or enter NA if no systems in the <550 MHz category

#### Question 3

For each capacity class and year entered in question 2, please provide (i) information on the digital modulation techniques you intend to use and (ii) a further breakdown of the total MHz expected to be used for downstream digital video transmission. To answer this question, use the same representative cable systems that you used in question 2. What modulation technique do you expect to use (e.g., 64 QAM, 256 QAM)? How many MHz do you anticipate devoting to HDTV transmissions and how many HDTV program streams do you anticipate transmitting in each 6 MHz of spectrum devoted to that purpose? How many MHz do you anticipate devoting to standard definition television program streams and how many such program streams do you anticipate transmitting in each 6 MHz of spectrum devoted to that purpose?

NOTE: If you plan to use different modulation techniques on a single system or on different systems in the same capacity class, please explain below. If the number of HDTV or SDTV program streams per 6 MHz is expected to vary, please indicate a typical figure in the table and explain the range of variation below.

**YEAR 1999** 

Capacity of Representative Cable System	Specific Capacity	Total MHz expected to be used for digital video transmission (from question 2)	Modulation technique	MHz expected to be devoted to HDTV transmissions (broadcast or nonbroadcast)*	HDTV Program streams per 6 MHz *	MHz expected to be devoted to standard definition video	L .	
>750 MHz*	N/A	N/A	N/A	?	?	N/A	N/A	
750 MHz		0	N/A	?	?	500	0	Biloxi, MS
550-750 MHz**	N/A							
550 MHz		0	N/A	0	0	500	0	Anniston, AL
<550 MHz***	450	0	N/A	0	0	400 MHz	0	Altus, OK

<sup>\*</sup> Plans for HDTV are not known at this time. We do not expect to be able to make plans until we have a better understanding of consumer demand for this technology, especially in markets of our size. In all likelihood, we will provide whatever customers demand. In terms of the number of HDTV program streams per 6 MHz, our objective would be to insert the maximum allowable.

## **YEAR 2000**

Capacity of Representative Cable System	Specific Capacity	Total MHz expected to be used for digital video transmission (from question 2)	Modulation technique	MHz expected to be devoted to HDTV transmissions(br oadcast or nonbroadcast)*	HDTV Program	MHz expected to be devoted to standard definition video	program	
>750 MHz*	N/A	60 MHz	256 QAM	?	?	754 MHz	N/A	Odessa, TX
750 MHz	1	60 MHz	256 QAM	?	?	640 MHz	0	Biloxi, MS
550-750 MHz**	N/A							
550 MHz	18 THE	60 MHz	256 QAM	0	0	440 MHz	0	Anniston, AL
<550 MHz***	450	0	N/A	0	0	400 MHz	0	Altus, OK

# **YEAR 2001**

Capacity of Representative Cable System	Specific Capacity	Total MHz expected to be used for digital video transmission (from question 2)	Modulation technique	MHz expected to be devoted to HDTV transmissions(br oadcast or nonbroadcast)*	HDTV Program	MHz expected to be devoted to standard definition video	program	
>750 MHz*	N/A	60 MHz	256 QAM	?	?	754 MHz	N/A	Odessa, TX
750 MHz	g 是 - 7個個	60 MHz	256 QAM	?	?	640 MHz	0	Biloxi, MS
550-750 MHz**	N/A							
550 MHz	はない 発酵	60 MHz	256 QAM	0	0	440 MHz	0	Anniston, AL
<550 MHz***	450	60 MHz	256 QAM	0	0	340 MHz	0	Altus, OK

## **YEAR 2002**

Capacity of Representative Cable System	Specific Capacity	Total MHz expected to be used for digital video transmission (from question 2)	Modulation technique	MHz expected to be devoted to HDTV transmissions( broadcast or nonbroadcast)	HDTV Program streams per 6 MHz *	MHz expected to be devoted to standard definition video		
>750 MHz*	N/A	60 MHz	256 QAM	?	?	754 MHz	N/A	Odessa, TX
750 MHz		60 MHz	256 QAM	?	?	640 MHz	0	Biloxi, MS
550-750 MHz**	N/A						0	
550 MHz	a to its	60 MHz	256 QAM	0	0	440 MHz	0	Anniston, AL
<550 MHz***	450	60 <b>M</b> Hz	256 QAM	0	0	340 MHz	0	Altus, OK

## **YEAR 2003**

Capacity of Representative Cable System	Specific Capacity	Total MHz expected to be used for digital video transmission (from question 2)	Modulation technique	MHz expected to be devoted to HDTV transmissions(br oadcast or nonbroadcast) *	HDTV Program	MHz expected to be devoted to standard definition video	program	
>750 MHz*	N/A	60 MHz	256 QAM	?	?	754 MHz	N/A	Odessa, TX
750 MHz	and a refer	60 MHz	256 QAM	?	?	640 MHz	0	Biloxi, MS
550-750 MHz**	N/A							
550 MHz	<b>静</b> 图 题	60 MHz	256 QAM	0	0	440 MHz	0	Anniston, AL
<550 MHz***	450	60 <b>M</b> Hz	256 QAM	0	Ö	340 MHz	0	Joplin, MO

- \* fill in a capacity greater than 750 MHz if applicable, or enter NA if no systems in the >750 MHz category
- \*\* fill in a capacity between 550 and 750 MHz if applicable, or enter NA if no systems in the 550-750 MHz category
- \*\*\* fill in a capacity below 550 MHz if applicable, or enter NA if no systems in the <550 MHz category

Please describe here any situations in which you plan to use different modulation techniques on a single system or on different systems in the same capacity class.

If the number of HDTV program streams per 6 MHz is expected to vary, please explain the range of variation here.

# Question 4

Cable One, Inc. ("Cable One" or the "Company") currently does not carry any digital television broadcast signals under any completed retransmission consent agreements. Cable One does have completed agreements that require the carriage of digital signals under a variety of contingencies. For example, some agreements require digital carriage if Cable One begins to carry other digital signals. Other agreements require the Company to provide a second cable channel to a broadcast station if Cable One provides a second cable channel to any other broadcast station in the ADI

Other agreements establish market penetration criteria, in terms of digital television households, that must be met before digital broadcast signals are carried.

Digital retransmission agreements currently under negotiation are expected to include similar language. Cable One is actively negotiating agreements for approximately 15 television broadcast stations.